GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:321
ANSWERED ON:22.02.2001
ATF FREE FROM APM
ALE NARENDRA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have decided to free Aviation Turbine Fuel (ATF) from the Administered Prices Mechanism in accordance with the road map that is already laid out for the petroleum sector;

(b) if so, whether the Government have formulated any guidelines to overcome the vacuum of expenditure/losses in the shape of free ATF; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE FOR PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a): Yes, Sir.

(b) & (c): An Expert Technical Group (ETG) was set up by the Government in June, 1996.The Government in November, 1997, after considering the recommendations of ETG, decided that subsidy level on LPG (Domestic) will be reduced to 15% of import parity by 2000-2001 and on Kerosene (PDS) to 33.33% of import parity by 2001-2002.On full de-regulation with effect from 1.4.2002, the subsidy on LPG (Domestic) and Kerosene (PDS) will be transferred to fiscal budget. The pricing of free ATF will be in accordance with Market Determined Pricing Mechanism.